Manual And Computerized Accounting Systems

Manual accounting systems use pen and paper and require a lot of human effort to record transactions. On the contrary, computerized accounting systems use software programs designed from traditional manual accounting systems. Computerized accounting systems have helped to greatly reduce mathematical errors and misplaced numbers. With a computerized accounting system, company data is automatically entered and processed. Compared to manual accounting, computerized accounting systems offer more benefits. This style of accounting delivers more information and is faster.

Computerized Accounting refers to replacing old manual accounting systems with software programs designed for the purpose of recording, categorizing, analyzing financial transactions. Computerized accounting systems allow you to set up income and expense accounts, such as rental or sales income, salaries, advertising expenses, and materials. A computerized system can take longer to set up, although your accountant probably does it on a regular basis and can tweak a standardized set of accounts to fit.

The main difference between manual and computerized systems is speed. Accounting software not only processes data and creates reports but also automates many functions, including calculations. Manual accounting systems are prone to mathematical errors and misplaced numbers. With a computerized accounting system, your company data is automatically entered and processed. Every accounting system, manual or computerized, has two aspects. First, it has to work under a set of well-defined concepts called accounting principles. Another aspect is the ability to generate reports and perform financial analysis.

Manual accounting systems are prone to mathematical errors and misplaced numbers. With a computerized accounting system, your company data is automatically entered and processed. However, the manual accounting systems are still popular in various places across the world, especially in the developing countries. Aims and Objectives:

1. To understand the difference between manual and computerized accounting systems.
2. To learn how computerized accounting systems can help organizations with calculations and financial analysis.
3. To understand the advantages and disadvantages of using manual and computerized accounting systems.

Manual accounting systems require the acting accountant or bookkeeper to post business transactions to the general journal, general ledger, and other accounts. A business also has the option of using a computerized accounting system, keeping their financial records.